



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 25, 2000

### **H.R. 4579** **Utah West Desert Land Exchange Act of 2000**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on September 20, 2000*

H.R. 4579 would ratify an agreement between the Department of the Interior (DOI) and the state of Utah to exchange certain lands and mineral interests in the west desert region of that state. CBO estimates that enacting this legislation would have no significant impact on the federal budget. Because the act could increase offsetting receipts (a form of direct spending), pay-as-you-go procedures would apply, but we expect that any such impacts would be insignificant in each year.

Under H.R. 4579, the Secretary of the Interior would convey to the state of Utah about 106,000 acres of federal lands and mineral interests in exchange for about 106,000 acres of state-owned lands and mineral interests. Pursuant to the agreement ratified by the legislation, the properties to be exchanged would be of approximately equal value. Under H.R. 4579, prior to any conveyance, both parties would select independent appraisers to review the value of the properties. If differences in value are found, the Secretary and the state would have to adjust the exchange accordingly.

Based on information from DOI, we expect that the land exchange would occur during fiscal year 2001. CBO estimates that federal costs to complete the exchange would be less than \$100,000 in that year. According to DOI, the lands to be conveyed by the federal government currently generate no significant receipts, and they are not expected to do so over the next 10 years. According to DOI, the state lands that would be conveyed to the federal government under H.R. 4579 would be more valuable for grazing than the federal lands to be exchanged. Hence, we expect that enacting this legislation could result in a small increase in offsetting receipts from grazing permits and a subsequent increase in payments to Utah for its share of those receipts. Based on information from DOI, however, we estimate that the net impact of any such changes would total only a few thousand dollars a year.

H.R. 4579 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. The agreement that would be ratified by this legislation

was entered into voluntarily by the state of Utah. All costs and benefits accruing to the state would be the result of that agreement.

The CBO staff contact is Megan Carroll. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.